

ASSEMBLY BILL

No. 1334

Introduced by Assembly Member Quirk

February 27, 2015

An act to amend Section 740.1 of the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1334, as introduced, Quirk. Public utilities: research and development projects.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, gas corporations, heat corporations, and telephone corporations, as defined. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law authorizes the commission to allow inclusion of expenses for research and development in rates. Existing law requires the commission to consider specified guidelines in evaluating the research, development, and demonstration programs proposed by electrical and gas corporations.

This bill would require findings supporting a decision to approve the inclusion of expenses incurred for research and development projects or programs in electricity rates be informed by independent expert review.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 740.1 of the Public Utilities Code is amended to read:

740.1. (a) The commission shall consider the following guidelines in evaluating the research, development, and demonstration programs proposed by electrical and gas corporations:

(a)

(1) Projects should offer a reasonable probability of providing benefits to ratepayers.

(b)

(2) Expenditures on projects ~~which~~ *that* have a low probability for success should be minimized.

(c)

(3) Projects should be consistent with the corporation's resource plan.

(d)

(4) Projects should not unnecessarily duplicate research currently, previously, or imminently undertaken by other electrical or gas corporations or research organizations.

(e)

(5) Each project should also support one or more of the following objectives:

(1)

(A) Environmental improvement.

(2)

(B) Public and employee safety.

(3)

(C) Conservation by efficient resource use or by reducing or shifting system load.

(4)

(D) Development of new resources and processes, particularly renewable resources and processes ~~which~~ *that* further supply technologies.

(5)

(E) Improve operating efficiency and reliability or otherwise reduce operating costs.

(b) *Findings supporting a decision to approve the inclusion of expenses incurred for research and development projects or*

- 1 *programs in electricity rates pursuant to Section 740 shall be*
- 2 *informed by independent expert review.*

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